

Message Text

LIMITED OFFICIAL USE

PAGE 01 OECD P 08270 01 OF 02 240339Z

ACTION EUR-12

INFO OCT-01 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00
AID-05 CEA-01 CIAE-00 COME-00 EB-08 EA-07 FRB-03
INR-07 IO-13 NEA-10 NSAE-00 OPIC-03 SP-02 TRSE-00
LAB-04 SIL-01 AGRE-00 OMB-01 INT-05 FEA-01 OIC-02
NSC-05 SS-15 STR-04 /110 W
-----240353Z 068294 /61/44

O R 211815Z MAR 77 CORRECTED COPY FOR MRN

FM USMISSION OECD PARIS

TO SECSTATE WASH DC IMMEDIATE 5804

INFO USMISSION EC BRUSSELS

LIMITED OFFICIAL USE SECTION 1 OF 2 OECD PARIS 8270

PASS COMMERCE FOR ASSISTANT SECRETARY ROBERT HALL,
BDC/LD FOR FORMAN AND PETERSON; LABOR FOR METCALF

EO 11652: N/A

TAGS: EIND OECD

SUBJECT: OECD INDUSTRY COMMITTEE MEETING, MARCH 16-18

REF: (A) OECD PARIS 7954, (B) STATE 059890

1. SUMMARY. THE OECD INDUSTRY COMMITTEE HELD ITS
THIRTY SECOND SESSION MARCH 16-18. AMONG DECISIONS
TAKEN, IC APPROVED US PROPOSAL TO STUDY MEDIUM-TERM
FINANCIAL REQUIREMENTS FOR INDUSTRIAL INVESTMENT. THE
US DELEGATION, SUPPORTED BY JAPAN AND CANADA, SUCCESS-
FULLY RESISTED PROPOSAL TO HOLD SPECIAL SESSION OF
INDUSTRY COMMITTEE TO CONSIDER PROBLEMS CONFRONTING
IRON AND STEEL INDUSTRY (SEE REFTELS). US DELEGATION

WAS HEADED BY DR. DAVID A. PETERSON OF COMMERCE WHO WAS
ASSISTED BY RALPH BRESLER, STATE, DR. PETER WAGNER,
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 08270 01 OF 02 240339Z

COMMERCE, AND MARTIN FORRESTER, US MISSION.

2. DSTI DIRECTOR BECKLER OPENED HIS ADDRESS TO THE
INDUSTRY COMMITTEE (IC) BY REVIEWING THE DEBATE AT
THIRTY FIRST SESSION OVER WHETHER THE IC SHOULD CONCEN-
TRATE ON SECTORAL OR GENERAL ISSUES. HE RECALLED THE
DEBATE RESULTED FROM EXECUTIVE COMMITTEE CRITICISM THAT

IC'S WORK PROGRAM WAS NOT WELL FOCUSED AND CONTAINED TOO MANY LOW PRIORITY SECTORAL ITEMS. IN VIEW OF IC'S

INABILITY TO REACH CONSENSUS ON THIS ISSUE AT ITS THIRTY FIRST SESSION, IT WAS NEXT ADDRESSED BY THE BUDGET COMMITTEE WHICH IMPOSED A LARGE CUT IN

DSTI'S BUDGET FOR CONSULTANTS. BECKLER SAID HE BELIEVED THE CUT WAS UNFORTUNATE IN VIEW OF IMPORTANCE OF THE

PROBLEMS UNDER STUDY BY THE IC. HOWEVER, IN HIS VIEW THE PRESENT WORK PLAN REFLECTS A GOOD BALANCE BETWEEN

SECTORAL AND CROSS SECTORAL STUDIES.

BECKLER NEXT DISCUSSED A SECRETARIAT PAPER ENTITLED "ECONOMIC RELATIONS BETWEEN MEMBER COUNTRIES - A GLOBAL

APPROACH- SUBMITTED TO THE EXECUTIVE COMMITTEE AT ITS MARCH 3 MEETING. THE PAPER ADDRESSED THREE PROBLEMS: (1) IMPORTANCE OF SECTORAL PROBLEMS IN INDUSTRIES SUCH AS IRON, STEEL AND SHIPBUILDING IN TODAY'S WORLD ECONOMY; (2) CHANGES IN COMPARATIVE ADVANTAGE BETWEEN HIGH AND LOW WAGE COUNTRIES AND (3) POSSIBILITY OF INSUFFICIENT INVESTMENT IN KEY INDUSTRIES WHICH COULD RESULT IN SUPPLY BOTTLENECKS SUCH AS OCCURRED IN 1973/1974. BECKLER SAID THERE IS DANGER THAT OECD NATIONS MAY USE SHORT TERM DOMESTIC SOLUTIONS TO THESE PROBLEMS WHICH

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 08270 01 OF 02 240339Z

WOULD ENDANGER THE COMMITMENT TO FREE TRADE EMBODIED IN THE TRADE PLEDGE, ADDING THE OECD'S WORK ON THESE KEY PROBLEMS SHOULD BE DONE IN LARGE PART BY THE INDUSTRY COMMITTEE.

BECKLER SUGGESTED THE COMMITTEE WOULD DO WELL TO DEVELOP A CONCEPTUAL FRAMEWORK FOR ITS WORK TO BETTER PRESENT ITS PROGRAM TO THE ORGANIZATION. HE ALSO SUGGESTED THAT AN ANNUAL REPORT ON INDUSTRIAL OUTLOOK AND BOTTLENECKS MIGHT COMPLEMENT THE WORK OF THE ECONOMIC POLICY COMMITTEE.

3. EMPLOYMENT - COMMITTEE HEARD ORAL REPORT OF EXPERTS' MEETING ON "THE STRUCTURAL DETERMINANTS OF EMPLOYMENT AND UNEMPLOYMENT" OF THE MANPOWER AND SOCIAL AFFAIRS COMMITTEE. COMMITTEE THEN DISCUSSED SECRETARIAT PAPER "EMPLOYMENT ISSUES FROM THE STANDPOINT OF INDUSTRY POLICY" (DSTI/IND/77.09). DELEGATIONS EXPRESSED INTEREST IN DOING FURTHER WORK IN THIS FIELD.

IT WAS AGREE THAT DELEGATIONS WOULD GIVE THEIR VIEWS
ON NEXT STEPS TO THE SECRETARIAT BY APRIL 15.

4. ALUMINUM - THE SECRETARIAT WILL PREPARE A REPORT
ON THE INFORMAL MEETING OF ALUMINUM EXPERTS WHICH
DELEGATES MAY COMMENT UPON.

5. TEXTILES - SEVERAL DELEGATIONS COMMENTED FAVORABLY
ON REPORT ON STRUCTURAL PROBLEMS OF THE TEXTILE AND
CLOTHING INDUSTRY (DSTI/IND/TE/77.1). US DEL QUES-
TIONED WHETHER DERESTRICTION OF THE REPORT MIGHT NOT
PROVIDE LDCS WITH A MEANS TO ARGUE THAT OECD COUNTRIES

SHOULD AID THEIR TEXTILE INDUSTRIES TO SHIFT TO OTHER
FIELDS RATHER THAN AIDING THEM TO STAY IN BUSINESS
(OECD MEMBER-STATE ADJUSTMENT PROGRAMS ARE SET OUT IN
THE REPORT). NO OTHER DEL SUPPORTED US POSITION AND IT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 OECD P 08270 01 OF 02 240339Z

WAS AGREED THAT REPORT WOULD BE DERESTRICTED. ON THE
FUTURE OF THE WORKING PARTY, IT WAS AGREED THAT THE AD

HOC TEXTILE GROUP WOULD BE HELD IN ABEYANCE IN EVENT
THE IC DECIDES ON NEW ASSIGNMENTS.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OECD P 08270 02 OF 02 211918Z
ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00
INRE-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08 EA-07
FRB-03 INR-07 IO-13 NEA-10 NSAE-00 OPIC-03 SP-02
TRSE-00 LAB-04 SIL-01 AGRE-00 OMB-01 INT-05
FEAE-00 OIC-02 NSC-05 SS-15 STR-04 /109 W
-----211929Z 027811 /44

O R 211815Z MAR 77

FM USMISSION OECD PARIS

TO SECSTATE WASH DC IMMEDIATE 5805

INFO USMISSION EC BRUSSELS

LIMITED OFFICIAL USE SECTION 2 OF 2 OECD PARIS 08270

PASS COMMERCE FOR ASSISTANT SECRETARY ROBERT HALL,
BDC/LD FOR FORMAN AND PETERSON; LABOR FOR METCALF

6. MULTINATIONAL ENTERPRISES. IC AGREED THAT REPORT
ON PENETRATION OF MULTINATIONAL ENTERPRISES IN MANUFAC-
TURING INDUSTRIES (DSTI/IND1/76.4) BE DERESTRICTED,
AND THAT WP1 CONTINUE UNTIL MARCH 1978. (SOME DELS
SUGGESTED THAT WP'S WORK BE SUBSUMED BY COMMITTEE ON
INVESTMENT AND MNES.)

7. MEDIUM-TERM FINANCIAL REQUIREMENTS.
IC AGREED TO GO FORWARD WITH FIRST PHASE OF STUDY ON
MEDIUM-TERM FINANCIAL REQUIREMENTS FOR INDUSTRIAL
INVESTMENT OVER OPPOSITION OF DENMARK, UK AND AUSTRIA.
IN SPITE OF US PREFERENCE FOR SEPARATE WORKING GROUP FOR
STUDY TO ENSURE ADEQUATE RESOURCES, IC DECIDED THAT STUDY
WOULD BE DONE BY WORKING GROUP ON FUTURE INDUSTRIAL
STRUCTURES. IC FURTHER AGREED THAT STUDY WOULD HAVE
EQUAL WEIGHT WITH ONGOING WORK OF GROUP ON FUTURE
INDUSTRIAL STRUCTURES WHOSE MEETING WILL BE LENGTHENED
TO ACCOMMODATE THE NEW ACTIVITY.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 08270 02 OF 02 211918Z

8. PETROCHEMICAL STUDY. IC DECIDED TO PROCEED WITH
THE PROPOSED WORK ON THE PETROCHEMICAL INDUSTRY (NORWE-
GIAN PROPOSAL).

9. ELECTIONS. MR. A.J. WOODS (AUSTRALIA) WAS ELECTED
TO BE THE NEW CHAIRMAN OF THE INDUSTRY COMMITTEE. THERE
WERE NO OTHER CANDIDATES. US, GERMAN, ITALIAN, SPANISH
AND SWEDISH REPS WERE NAMED VICE-CHAIRMEN. FRENCH,
AUSTRIAN AND JAPANESE REPS WILL JOIN CHAIRMAN AND VICE-
CHAIRMEN AS MEMBERS OF THE ENLARGED BUREAU.

10. INDUSTRIAL ASPECTS OF DEVELOPMENT COOPERATION IN
RELATION TO LABOR-INTENSIVE INDUSTRIAL ACTIVITIES.
IT WAS AGREED THAT THE SECRETARIAT WOULD DEVELOP
POLICY OPTIONS FOR WORK IN THIS FIELD (DSTI/IND/77.11).

11. IRON AND STEEL. IN REF A, THE MISSION DESCRIBED
THE PROPOSAL BY OUTGOING CHAIRMAN COESSENS FOR INDUSTRY
COMMITTEE WORK ON THE IRON AND STEEL INDUSTRY. ON MARCH
18, THE US DELEGATION TOOK THE POSITION INSTRUCTED IN
REF B, AND NO DELEGATION OPPOSED US (THOUGH GERMAN
REF DID EXPRESS REGRETS). RESOLUTION OF THE ISSUE WAS
FACILITATED BY FACT THAT NEW CHAIRMAN WOODS WAS NOW

PRESIDING. WOODS SUGGESTED THAT IC INFORM THE SECRETARIAT THAT IT STANDS READY TO ASSIST IN EXAMINATION OF THIS SUBJECT, A SUGGESTION WHICH WAS ACCEPTED BY THE COMMITTEE. BECKLER REPORTED THAT AT REQUEST OF SECRETARY GENERAL SEVERAL DIRECTORATES WILL BE PREPARING SHORT-TERM ANALYSIS OF STEEL SITUATION.

12. REGIONAL DEVELOPMENT. GROUP HEARD REPORT ON WORK OF WORKING PARTY 6 AND AGREED TO A THREE-YEAR EXTENSION OF ITS MANDATE.

13. INDUSTRIAL STATISTICS. IC EXTENDED WORKING PARTY'S LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 08270 02 OF 02 211918Z

MANDATE FOR THREE YEARS.

14. 1978 WORK PROGRAM. THE QUESTION OF WHETHER THE COMMITTEE SHOULD CONCENTRATE ON SECTORAL OR CROSS SECTORAL STUDIES WAS AGAIN ADDRESSED, BUT WITHOUT THE BITTERNESS WHICH OCCURRED DURING DISCUSSIONS AT THE THIRTY-FIRST SESSION. FRANCE AND GERMANY NOTED THAT THIS ISSUE HAS BEEN DEBATED IN THE COMMITTEE FOR SEVEN YEARS AND ARGUED THAT SECTORAL STUDIES CONTINUE TO RECEIVE ATTENTION. MANY DELS, INCLUDING THE US, SAID THEY BELIEVED THE WORK PROGRAM REFLECTED A GOOD BALANCE ON THIS ISSUE. US DEL NOTED IT WOULD BE HELPFUL IN DISCUSSING WORK PROGRAM IF SECRETARIAT COULD PRESENT DATA ON RESOURCES AVAILABLE AND HOW THEY ARE BEING USED. THE 1978 WORK PROGRAM WILL BE DISCUSSED IN GREATER DETAIL AT THE JUNE MEETING.

15. NEXT MEETING WILL TAKE PLACE THE WEEK OF JUNE 20 OR JUNE 27, DEPENDING ON DATE OF OECD MINISTERIAL. TURNER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INDUSTRY, COMMITTEE MEETINGS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977OECDP08270
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770188-0829, D770098-0263
Format: TEL
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770339/aaaabhqm.tel
Line Count: 261
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e1aad4b4-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 OECD PARIS 7954, 77 STATE 59890
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 01-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3046466
Secure: OPEN
Status: NATIVE
Subject: OECD INDUSTRY COMMITTEE MEETING, MARCH 16-18
TAGS: EIND, OECD
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/e1aad4b4-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009